

**SECRET EYES ONLY**

PERSONNEL 17

DD/S 68-2346

8 May 1968

MEMORANDUM FOR: Executive Director-Comptroller  
Deputy Director for Intelligence  
Deputy Director for Plans  
Deputy Director for Science and Technology  
General Counsel  
Inspector General  
Director of Personnel

SUBJECT : Agenda for Meeting at 2 p.m. on Thursday, 9 May,  
in the DCI Conference Room

REFERENCE : Memo dtd 7 May 68 for Adses fr ExDir-Compt, same  
subj

1. For the meeting on Thursday there is attached an outline of several  
Early Retirement incentives that are suggested for consideration.

SIGNED R. L. Bannerman

R. L. Bannerman  
Deputy Director  
for Support

25X1  
cc: Mr.

DD/S:RLB:ksd (8 May 68)

Distribution:

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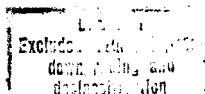
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### 1. Civilian Reserve Program

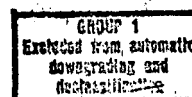
One of the incentives to early retirement which is under study is a paid civilian reserve corps. There are two considerations: first, as a system to provide manpower in an emergency and second, as a system for encouraging early retirement. The first can probably be legally supported because it provides a pool of selected former employees with specialized training and experience compensated for obligating themselves to serve upon the call of the Agency.

However, when we look at the legality of a paid reserve as an incentive to early retirement, the Office of General Counsel has already identified certain guidelines which restrict the full realization of this approach. The two most significant of these are that (1) former employment rather than retired status should be the participation criterion and (2) age for participation should be the same whether the individual is under the Agency's Retirement System or Civil Service Retirement.

It has been suggested that membership be on a selective basis and limited to a three-year period with compensation on a descending scale based generally on prior salary and length of service. The selective feature of participation could possibly be applied to overcome the first restriction noted above. But the second restriction seriously impairs the retirement incentive aspect of the program. A maximum age of 63 would be required to make this program meaningful to the Civil Service retiree leaving at age 60 but it would also provide an unnecessary incentive and an unwarranted benefit to the CIA retiree who is mandatorily retired at age 60. On the other hand, a maximum age of 60 would provide an early retirement incentive for the CIA retirees, but would be of little value for Civil Service retirees except the handful who would qualify for optional retirement between ages 55 and 59 based on 30 years of service.

### 2. Trial Retirement

Another proposed retirement incentive program is "Retirement with Re-employment Rights" or "Trial Retirement." The Department of Agriculture experimented with such a program on a one-year basis with great success. Under this plan, employees who are eligible for optional retirement under either CIARDS or CSRS and are in the age group 55 through 57 would be offered the opportunity to retire with re-employment rights. Employees electing this option must either return to duty 365 days after retirement or remain in full retirement. Of the small group currently eligible for this option (approximately 160), a percentage should be encouraged to advance their retirement dates with the assurance that they can return to duty if their post-retirement plans are unsuccessful. The prospects that employees electing this option will remain retired appear to be optimistic.

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### 3. Maintaining High Quality Level of Personnel

The importance of staffing the Agency with the most competent people has already been stated many times. We have rigorous selection procedures to identify those people who are "most likely to succeed" in the Agency and formal procedures for reviewing the effectiveness and suitability of new employees after their first and third years of service. But we have not developed and applied adequate procedures for the periodic evaluation of personnel to identify those who over the years do not maintain an entirely satisfactory level of competence and for taking appropriate remedial action.

The proposal being made is that the Director of Central Intelligence direct greater use of existing Career Service mechanisms to ensure at least annual competitive evaluation of personnel to identify those who are less than effective ("negative evaluation"). Remedial actions may range from training or reassignment to some form of retirement (including disability retirement) to downgrading or involuntary separation. The simpler corrective actions are within the purview of the Career Service. Our existing regulations provide appropriate administrative machinery for the more drastic actions and, with careful application, have usually proved effective in accomplishing the desired result without resorting to the formal exercise of the Director's authorities.

### 4. Separation Compensation

Individuals separated involuntarily or who resign or retire in lieu of involuntary separation may be entitled to financial benefits. Generally, employees under the CIARDS or CSRS who have 20 years of Federal service and are at least age 50 or who have 25 years of Federal service at any age may receive an immediate annuity. The CIA retiree receives his full earned annuity while the CSRS retiree's annuity is reduced two percent per year for each year he is under age 55. We also have in draft a proposed regulation adopting general legislation (PL 89-301) which permits severance pay on a formula based on age and years of service to individuals who are involuntarily separated or resign in lieu thereof. Briefly, the formula provides for one week's pay for each year of service up to ten years and two weeks' pay for each year thereafter. There is an additional 10% paid for each year the individual's age exceeds forty.

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TRANSMITTAL SLIP		DATE
TO:		
Deputy Director for Support		
ROOM NO.	BUILDING	
7 D 26	HQ	
REMARKS:		
FROM:		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

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Approved For Release 2003/05/05 : CIA-RDP84-00780R002400020011-4

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68-2197

7 May 1968

MEMORANDUM FOR: Deputy Director for Intelligence  
Deputy Director for Plans  
Deputy Director for Science and Technology  
Deputy Director for Support  
General Counsel  
Inspector General  
Director of Personnel

SUBJECT : Agenda for Meeting at 2 p.m. on Thursday,  
9 May, in the DCI Conference Room

I. Retirement Incentives

The Deputy Director for Support will send to you topical subjects for general discussion. I would hope that we could come to some conclusion as to which subjects are worthy of further study and complete staffing.

II. University Associates Program

Material on this subject was distributed to you by my memorandum of 4 April. Should we decide that the Program is to be continued, we need to determine how to strengthen it. If it is to be discontinued we need to decide how this is to be done and to get started in this direction.

[Redacted Signature]

L. K. White

Executive Director - Comptroller

cc: Mr. [Redacted]

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12 APR 1968

MEMORANDUM FOR: Mr. Bannerman via Mr. Coffey & Mr.

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Colonel White has indicated that he will want to discuss with the Deputy Directors several recent special committee reports, which are listed below. I am attaching the reports and other background material for your information and retention.

1. University Associates Program

Colonel White on 4 April 1968 distributed copies of the report on the University Associates Program to the Deputy Directors stating that he wanted to discuss it in the near future.

2. Professional Manpower Report

On 6 April 1968 he distributed to the Deputy Directors copies of a Precis of the Professional Manpower Committee Report and stated he would call a meeting very soon to discuss this report.

3. Midcareer Executive Development Course

He wrote a note on your memo to him, dated 2 April, subject: Midcareer Executive Development Course, stating he would like to discuss this in connection with the Manpower Survey.

4. Study Group on Recruitment Report

On your memorandum to him, dated 6 March, subject: Report of Study Group on Recruitment, he wrote that he would like to discuss it with the Deputies along with the Manpower Study, the College Associates Study, etc. We prepared a summary of the report, per his request.

*(Full report attached to Memo and Summary forwarded to DD/s for sig. enroute to Col. White - 12 April) (12568-1827+ -1838)*

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